

Dear Friends,

This week, the U.S. House passed the Student Aid and Fiscal Responsibility Act (H.R. 3221), which will end the giveaway of \$87 billion in corporate welfare to financial institutions for processing paperwork. Those funds instead will be reinvested to expand the Pell Grant program, increase assistance to community colleges, and to support early learning to ensure more low-income children are prepared to start kindergarten. A savings of \$10 billion will also be used for deficit reduction. Unfortunately, only six Republicans were willing to join more than 250 Democrats to pass H.R. 3221. More than 165 Republicans voted to protect the taxpayer giveaways to lenders.

The Republicans were successful in passing language punishing ACORN, a not for profit organization that works to empower low-income Americans, by prohibiting the group from receiving any federal funding. I voted against this political stunt - which is particularly ironic since the majority of Republicans voted to support corporate welfare for financial institutions, while targeting low-income people that did not receive \$1 in H.R. 3221.

To go more in depth, H.R. 3221 terminates the Family Federal Education Loan (FFEL) program and transfers all new federal student lending to the Federal Direct Loan Program where the federal government provides the capital to originate a loan. The financial crisis exposed the vulnerability of the FFEL program and the potential risks to college students and their families. The change to Direct Loans will result in a more reliable and efficient student loan system. Removing the unnecessary middleman also eliminates wasteful government giveaways to bankers and yields \$87 billion dollars in savings to taxpayers over the next ten years.

The Student Aid and Fiscal Responsibility Act also makes strategic investments to allow for more students to attend and graduate from college with less debt. \$40 billion will be used to increase the annual Pell Grant Scholarship program, making college more affordable and ensuring that Pell Grants keep up with inflation. This means that over the next ten years, more than \$75.5 million in additional funding will be provided to students in Minnesota's Fourth Congressional District. Additionally, this legislation strengthens and expands the Perkins Loan Program and simplifies the complicated and time-consuming Free Application for Federal

Student Aid (FAFSA) to help improve college access.

Another major component of this bill is a significant investment in community colleges to retrain workers, prepare students for 21st century jobs, and introduce students to post-secondary education. These investments will improve the quality of education for over 100,000 students that are enrolled in Minnesota community colleges. H.R. 3221 expands online learning opportunities and encourages partnerships between community colleges, states, business, job training and adult education programs.

Finally, this bill ensures that the next generation of students has the skills they need to pursue a post-secondary education. The creation of an Early Learning Challenge fund will help states, like Minnesota, reform early learning to increase quality programs for low-income students. The Green Schools initiative invests in school modernization, renovation, and repair projects that will allow students to learn in healthier, safer, and more energy efficient schools.

Investment in early learning, financial aid, and community colleges is a top priority for me and I am proud to support this historic bill.

Sincerely,



Congresswoman Betty McCollum
Serving Minnesota's Fourth Congressional District

Commemorate Constitution Day

On September 17, 1787, the final draft of the Constitution was signed by 39 delegates. The document

The Library of Congress [here](#) online database of materials and resources for teachers is available

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McCOLLUM HIGHLIGHTS SAVINGS FOR STUDENTS IN MINNESOTA AND ACROSS THE NATION

» [Read President Obama's statement on H.R. 3221](#)

» [Read the Student Aid and Fiscal Responsibility Act \(HR3221\)](#) (PDF)

Congress is working with President Obama to make historic investments in our economic future by improving early education opportunities and making college dramatically more affordable - and all at no cost to taxpayers. By originating all new loans through the Federal Direct Loan program, Student Aid and Fiscal Responsibility Act (H.R. 3221) will save taxpayers \$87 billion over 10 years, according to the nonpartisan Congressional Budget Office. During these tough fiscal times, the legislation will help more students and their families graduate with less debt and

will direct \$10 billion in savings back to the U.S. Treasury to help pay down the deficit. The legislation takes significant steps to make sure America once again leads the world in college graduates by 2020. It will expand quality early education opportunities that will put more children on the path to success; strengthen community colleges and training programs to help build a highly-skilled, innovative, 21st century workforce ready for the rigors of a global economy, and; boost the fiscal health of the country our children will inherit by paying down the deficit.

OVERVIEW OF LEGISLATION

More Help Covering College Tuition and Expenses:

Higher Pell Grant scholarship of \$5,550 in 2010 and \$6,900 in 2019: About 6 million students received the Pell Grant scholarship in 2007-2008.

Lower interest rates on need-based (subsidized) federal student loans: Nationwide about 5.5 million students borrow these loans each year.

More access to Perkins loan program by expanding it to every U.S. college campus: Last year approximately 495,000 students received a Perkins Loan.

Shorter, simpler FAFSA form that makes applying for financial aid easier: In 2003-2004, over 1.5 million college students who likely were eligible to receive Pell Grants didn't apply for financial aid because they found the FAFSA form too confusing

Better Opportunities to Prepare for Good Jobs:

New college access and completion programs to help you stay in school and graduate.

Innovative partnerships between colleges, businesses and job training programs to help you get the real-world experience and skills you need to be ready for the jobs of the future.

Free, high-quality, online training and high school and college courses.

Financial Aid Programs That Are Worry-Free and Operate In Your Best Interest:

Gives you the peace of mind of knowing that your federal student loans are stable.

Removes any potential for conflicts of interest between lenders and colleges.

Guarantees you the best customer service available when you repay your student loans.